

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 1015  
PROPOSED SENATE COMMITTEE SUBSTITUTE H1015-CSSVx-46 [v.4]

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Short Title: Economic Devpt. & Finance Changes.

(Public)

Sponsors:

Referred to:

May 22, 2012

1 A BILL TO BE ENTITLED  
2 AN ACT TO SET THE REGULATORY FEES AND TO ENHANCE ECONOMIC  
3 DEVELOPMENT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** The percentage rate to be used in calculating the public utility  
6 regulatory fee under G.S. 62-302(b)(2) is twelve-hundredths of one percent (0.12%) for each  
7 public utility's North Carolina jurisdictional revenues earned during each quarter that begins on  
8 or after July 1, 2012.

9 **SECTION 1.(b)** The electric membership corporation regulatory fee imposed  
10 under G.S. 62-302(b1) for the 2012-2013 fiscal year is two hundred thousand dollars  
11 (\$200,000).

12 **SECTION 1.(c)** The percentage rate to be used in calculating the insurance  
13 regulatory charge under G.S. 58-6-25 is six percent (6%) for the 2012 calendar year.

14 **SECTION 1.(d)** Subsections (a) and (b) of this section become effective July 1,  
15 2012. The remainder of this section is effective when it becomes law.

16 **SECTION 2.(a)** G.S. 143B-437.52 reads as rewritten:

17 "**§ 143B-437.52. Job Development Investment Grant Program.**

18 ...  
19 (b) ~~Cap and Priority. —The maximum number of grants the Committee may award in~~  
20 ~~each calendar year is 25.~~ In selecting between applicants, a project that is located in an  
21 Eco-Industrial Park certified under G.S. 143B-437.08 has priority over a comparable project  
22 that is not located in a certified Eco-Industrial Park.

23 ..."

24 **SECTION 2.(b)** This section becomes effective July 1, 2012.

25 **SECTION 3.** G.S. 143B-437.01(a) reads as rewritten:

26 "(a) Creation and Purpose of Fund. — There is created in the Department of Commerce  
27 the Industrial Development Fund to provide funds to assist the local government units of the  
28 most economically distressed counties in the State in creating and retaining jobs in certain  
29 industries. The Department of Commerce shall adopt rules providing for the administration of  
30 the program. Those rules shall include the following provisions, which shall apply to each grant  
31 from the fund:

32 (1) The funds shall be used for (i) installation of or purchases of equipment for  
33 eligible industries, (ii) structural repairs, improvements, or renovations of  
34 existing buildings to be used for expansion of eligible industries, or (iii)



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construction of or improvements to new or existing water, sewer, gas, telecommunications, high-speed broadband, electrical utility distribution lines or equipment, or transportation infrastructure for existing or new or proposed industrial buildings to be used for eligible industries. To be eligible for funding, the water, ~~sewer~~, gas, telecommunications, high-speed broadband, electrical utility lines or facilities, or transportation infrastructure shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the specific eligible industrial activity. To be eligible for funding, the sewer infrastructure shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the specific eligible industrial activity, even if the sewer infrastructure is located in a county other than the county in which the building is located.

...."

**SECTION 4.(a)** G.S. 105-129.84(c) reads as rewritten:

"(c) Carryforward. – Unless a longer carryforward period applies, any unused portion of a credit allowed under G.S. 105-129.87 or G.S. 105-129.88 may be carried forward for the succeeding five years, and any unused portion of a credit allowed under G.S. 105-129.89 may be carried forward for the succeeding 15 years. If the Secretary of Commerce makes a written determination that the taxpayer is expected to purchase or lease, and place in service in connection with an eligible business within a two-year period, at least ~~one hundred fifty million dollars (\$150,000,000) worth of~~ the minimum investment amount of business and real property, any unused portion of a credit under this Article with respect to the establishment that satisfies that condition may be carried forward for the succeeding 20 years. If the taxpayer does not make the required level of investment, the taxpayer shall apply the five-year carryforward period rather than the 20-year carryforward period. For purposes of this subsection, the "minimum investment amount" is the following amount:

- (1) For an eligible business investing the minimum investment amount in an establishment located, at the time the initial investment is made, in a development tier one area, one hundred million dollars (\$100,000,000)."
- (2) For any other eligible business, one hundred fifty million dollars (\$150,000,000)."

**SECTION 4.(b)** This section is effective for taxable years beginning on or after January 1, 2012.

**SECTION 5.(a)** For calendar year 2010, an interstate passenger air carrier that is eligible for a refund of sales and use taxes paid on fuel in excess of two million five hundred thousand dollars (\$2,500,000) under G.S. 105-164.14(a1) and G.S. 105-164.14A(a)(1) is subject to the provisions of this section, notwithstanding any provisions of G.S. 105-164.14, G.S. 105-164.14A, or Section 4 of S.L. 2010-166 to the contrary. Notwithstanding the fact that the first six months of 2010 are subject to G.S. 105-164.14(a1) and the last six months of 2010 are subject to G.S. 105-164.14A(a)(1), a taxpayer shall submit one request for a refund for the entire calendar year.

**SECTION 5.(b)** An interstate passenger air carrier is allowed a refund of the sales and use tax paid by it on fuel in excess of one million two hundred fifty thousand dollars (\$1,250,000) for the period January 1, 2011, through June 30, 2011. The amount of sales and use tax paid does not include a refund allowed to the interstate passenger air carrier under G.S. 105-164.14(a). A request for a refund must be in writing and must include any information and documentation required by the Secretary. The request for a refund is due before July 1, 2012. Refunds applied for after the due date are barred.

**SECTION 5.(c)** Subsection (b) of this section is effective January 1, 2011, and applies to purchases made on or after that date. The remainder of this section is effective when it becomes law.

**SECTION 6.(a)** G.S. 143B-437.013(a) reads as rewritten:

"(a) Port Enhancement Zone Defined. – A port enhancement zone is an area that meets all of the following conditions:

- (1) It is comprised of part or all of one or more contiguous census tracts, census block groups, or both, in the most recent federal decennial census.
- (2) All of the area is located within 25 miles of a State port and is capable of being used to enhance port operations.
- (3) Every census tract and census block group that comprises the area has at least eleven percent (11%) of households with incomes of fifteen thousand dollars (\$15,000) or less."

**SECTION 6.(b)** This section is effective for taxable years beginning on or after January 1, 2013.

**SECTION 7.** Except as otherwise provided, this act is effective when it becomes law.